

SIGA Technologies

TPOXX update

BARDA exercises first option for IV TPOXX

Pharma and biotech

11 August 2022

Following strong Q222 results, SIGA Technologies has announced that the Biomedical Advanced Research and Development Authority (BARDA) has exercised its first [procurement option](#) for intravenous (IV) TPOXX, worth \$26m, under its 19C contract signed in September 2018. The contract includes manufacturing and delivery of up to 212,000 courses of IV TPOXX to the US strategic stockpile over the 10-year contractual term. SIGA delivered the first c 20,000 courses in Q122 and the announced procurement is the first of the IV TPOXX options (64,000 courses each; c \$400/course). The product delivery on this option exercise is targeted for 2023. IV TPOXX received FDA approval in May 2022 and expands the company's addressable market to those who are unable to take the oral formulation (either too sick or unable to swallow).

Year end	Revenue (\$m)	EBITDA* (\$m)	PBT* (\$m)	EPS* (\$)	P/E (x)	Net cash (\$m)
12/20	125.0	88.6	81.5	0.81	16.2	117.9
12/21	133.7	89.7	89.1	0.91	14.4	103.1

Note: *EBITDA, PBT and EPS (diluted) are normalized, excluding exceptional items and other revenue and expenses.

IV TPOXX is based on the same antiviral drug as the oral TPOXX formulation that was approved by the FDA in July 2018 for treating human smallpox in adults and pediatric patients (weighing 13kg or more). The IV TPOXX would treat those who are either too sick or unable to swallow capsules, which expands TPOXX to a new patient population. The IV formulation is priced at c \$400/course.

The 19C contract with BARDA was signed in [September 2018](#) and included delivery of 1,488,000 courses of oral TPOXX and 212,000 courses of IV TPOXX to the US strategic stockpile (total 1.7 million doses) and additional development, post-marketing and procurement activities for a combined contract value of c \$600m (of which \$311m relates to unexercised options at the end of Q222). Of the total contract value, \$85m is allocated to procurement of IV TPOXX of which roughly \$7m worth of deliveries (about 20,000 courses) were made in Q122. We estimate the announced option exercise pertains to a further 64,000 courses of the IV treatment. This includes the manufacture of bulk drug substance and the use of such substance to manufacture and deliver the final drug product of IV TPOXX. In addition to the above, BARDA had also exercised its option to fund a post-marketing field study for IV TPOXX for \$3.6m, highlighting the increasing levels of awareness and preparedness globally in the face of outbreaks and infectious diseases such as monkeypox.

FY22 has been a catalyst-rich year for SIGA, with the company reporting an additional c \$60m in international orders in the year to date for oral TPOXX from 10 international jurisdictions (nine of which are new customers), of which \$5m was fulfilled in Q222 and roughly \$26m is expected to be delivered in Q322 (and the remainder between October 2022 and July 2023). With the World Health Organization and the US government both labelling monkeypox as a global health emergency, we expect continued strong momentum for the company in the coming months.

Price **\$22.2**
Market cap **\$1.6bn**

Net cash (\$m) at 30 June 2022 114.5

Shares in issue 73.0m

Free float 56%

Code SIGA

Primary exchange Nasdaq

Secondary exchange N/A

Share price performance



Business description

SIGA Technologies is a commercial-stage health security company focused on the treatment of smallpox and other orthopoxvirus. It has contracts with both the US and Canadian governments for TPOXX, its treatment for smallpox, and is looking to expand internationally.

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